



LandMark White Limited

Strategic Acquisition & Capital Raising



Disclaimer

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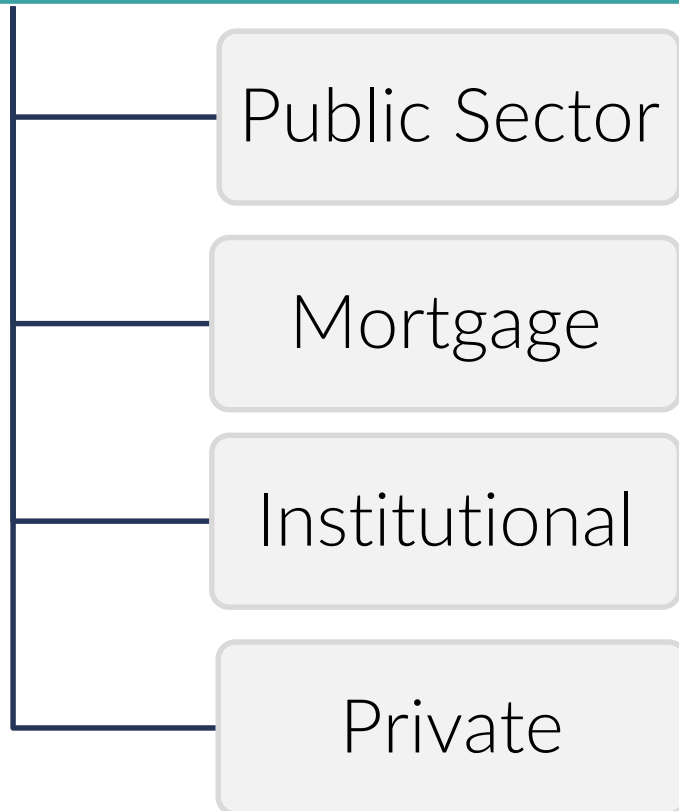
Transaction Highlights

Overview & rationale	<ul style="list-style-type: none"> Landmark White (LMW) is finalising a Sales and Purchase Agreement (SPA) to acquire MVS National (MVS) a property valuation firm. (Expected within next week) The acquisition is in-line with LMW's expansion and acquisition strategy to achieve further growth through: <ul style="list-style-type: none"> - Increasing scale in existing core valuation activities; - Broadening LMW's revenue base through MVS' strong public sector revenues; and - An increase to shareholder value
Overview of MVS National	<ul style="list-style-type: none"> Established in 1996, MVS National is one of Australia's leading property valuation firms with national coverage across residential, commercial and government sector. Over 85 valuers + support staff and a leading government valuation practice.
Details of the transaction	<ul style="list-style-type: none"> Acquisition price based on 4.5x sustainable EBITDA (Capped at \$35m) Upfront consideration of \$23.3m (\$16m cash and \$7.3m scrip) Deferred consideration capped at maximum \$11.7m (in scrip subject to FY18,19 & 20 results)
Funding	<ul style="list-style-type: none"> The acquisition to be funded through a combined Rights Issue and Placement of up to \$20.5m at \$0.60/share Acquisition is subject to finalisation of SPA, relevant statutory, ASX and shareholder approval
EPS accretion and financial impact	<ul style="list-style-type: none"> Expected growth in PBT - Pro Forma FY17 \$6.4m (FY16:\$2.4m) from underlying business performance and acquisition of MVS The Board believes associated scale benefits will lead to substantial cost synergies Merger is expected to be EPS accretive with opportunity of synergy savings over first 12-24 months



Valuation Industry

Revenue > \$1bn



Clients

- Australian and overseas Banks
- Private and institutional investors
- Local, State and Federal Government
- Private advocacy (Family Law, Litigation, Insurance)
- Private Individuals (1st Home buyers, SMSF, GGT, etc.)

Competitors

- Australian – Opteon; HTW, WBP, MVS
- International – JLL, CBRE, Knight Frank
- Wide range of small firms.

Opportunities

- Opportunity for consolidation in fragmented industry.
- Government is serviced ad-hoc.
- Commercial valuation industry is fragmented and will be subject to consolidation.
- Major clients have and will continue to rationalise the number of industry players.



About LMW

Business Overview

LandMark White Limited (LMW) provides a wide range of property advisory services including, valuations of residential and commercial property, research, and property advice.

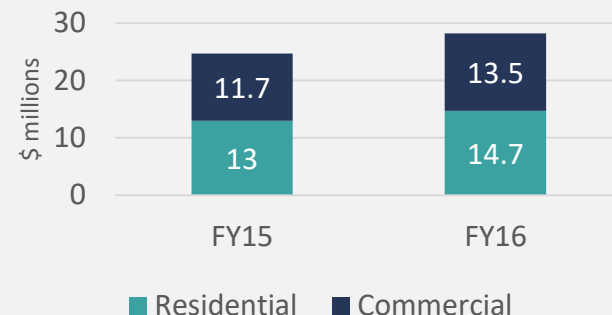
LMW directly employ circa 150 staff of which 90 are valuers.

The company offers commercial and residential property valuation services to:

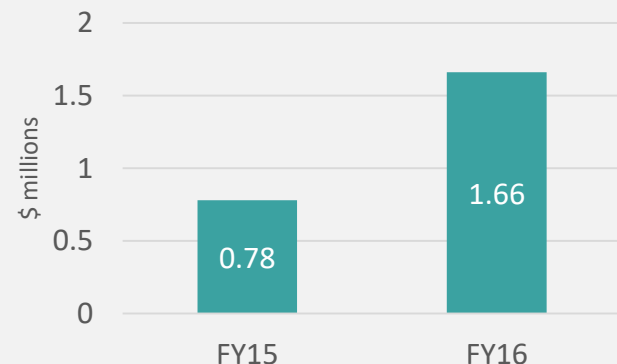
- Banks and Financial Institutions
- ASX listed and unlisted property trusts
- Lawyers, accountants, liquidators and administrators
- Developers
- Private investors

LMW has invested heavily in its brand, corporate structure, systems and processes, to allow for significant expansion.

Revenue



Net Profit After Tax



LMW Business and Key Clients

LMW operates across two key divisions - residential and commercial.

Key clients include:

- Major Banks
- Private Individuals
- Fund Managers
- Property Developers
- Commercial Property Owners & Managers
- Non-Bank Lenders



Dividend Policy

LandMark White Ltd recognises the importance of dividend payments to shareholders. The dividend policy aims to deliver the maximum sustainable dividend level to shareholders.

Subject to M&A opportunities, investments and working capital requirements from time to time, LandMark White Ltd has set a target dividend level as 80% of net profit after tax.

Investors should note that any dividend is not payable until formally declared. Accordingly, LandMark White makes no assurance as to dividends or what level of franking will be attached until a formal declaration is made.

Any dividend payments also remain subject to compliance with relevant legal requirements and specifically the Corporations Act 2001. LandMark White Ltd will seek appropriate advice at the time of any specific dividend declaration to ensure compliance.



Board & Key Management

LMW Key Management



CEO - Chris Coonan

Chris Coonan has over 25 years' experience within the valuation industry. Prior to his appointment to CEO, Chris was National Residential Director where he was responsible for the continued growth of the residential arm of LMW, including establishing a national presence.



CFO - John Wise

John joined LMW in September 2016 as CFO and Company Secretary. John has had extensive experience in the property services sector having previously held the position of CFO & Company Secretary at Savills from 1999 until 2016.



CIO - Paul Fitzpatrick

Paul possesses over 18 years of international IT experience, Paul has 12 years within leadership and strategic roles. Paul's key deliverables at LMW include operational excellence, service delivery, vendor and contract management, and financial accountabilities.

LMW Board of Directors

- Chairman & Founder - Glen White
- Non-Exec Director - Brad Piltz
- Non-Exec Director - Frank Hardiman
- CEO - Exec Director - Chris Coonan

MVS Key Staff



Head of Government Division - George Boulougouris

Key technical expertise in government sector with ability to drive significant further growth in other government departments (federal and state).



Head of Commercial (NSW) - Andrew Cowie

Significant ability to drive further development via bank panels into sub \$20m commercial valuations (this sub-section provides further opportunity).



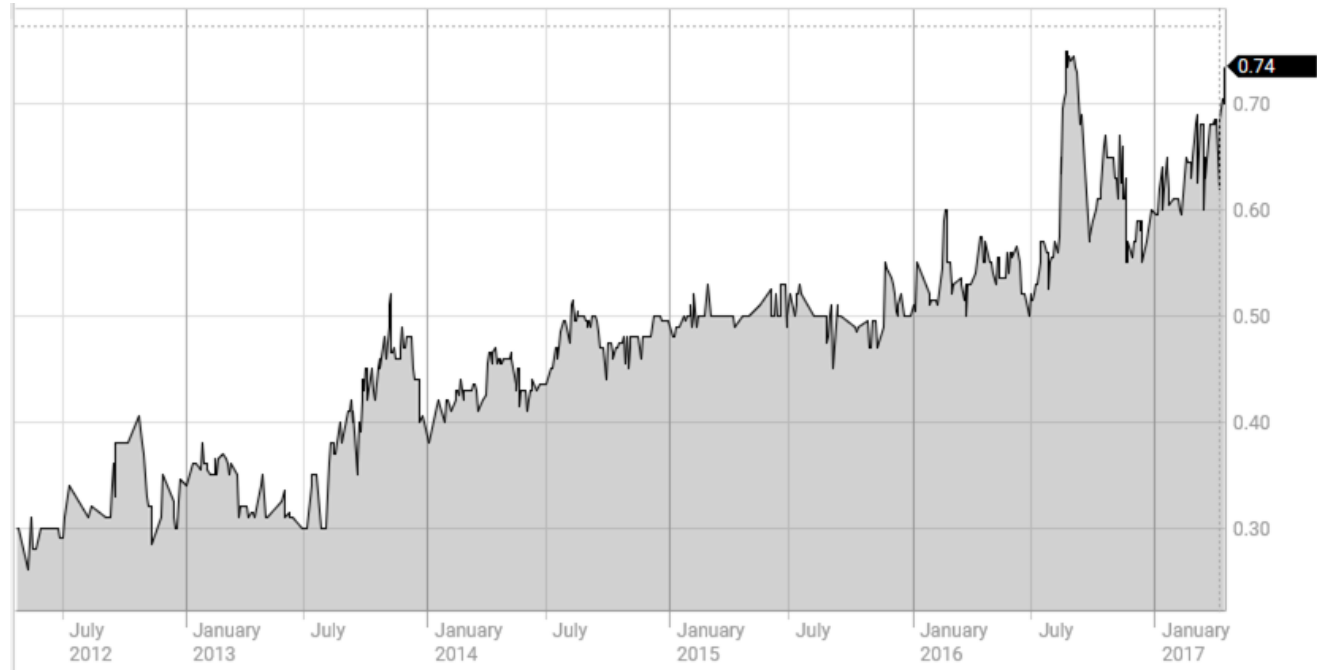
Chief Executive Officer - Tony Onsley

Tony joined MVS in 2014 as the first external CEO. He has over 15 years experience in senior executive roles. In addition to the general running of the organisation, he is responsible for setting and implementing the strategic direction of MVS.



Company Details

Exchange	ASX
Ticker	LMW
Shares on Issue	29.5m
Price 19 April 2017	\$0.735
Market Cap	\$21.9m
EPS	\$0.054
DPS FY16	\$0.045
DPS 31 Dec 2016	\$0.0225
Franking	100%



Top 5 Shareholders	%
White Valuations Pty Ltd	32.05
Mr Brad Piltz	10.76
IHOP Pty Ltd	7.88
McMullin Nominees Pty Ltd	4.25
Mr Brett Gorman	2.66



Company Vision

To create Australasia's premier property advisory services company.



Through development and acquisition of complementary and diversified service lines.



Target Acquisition



Overview of MVS

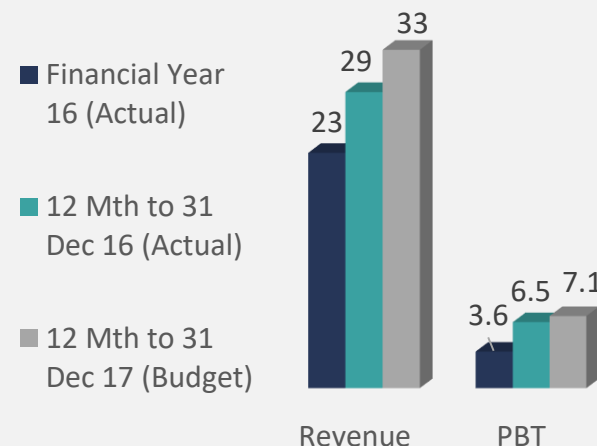
Business Overview

- Established in 1996, MVS National (“MVS”) is regarded as one of Australia’s leading providers of property valuation services.
- MVS is now one of the largest property valuation firms in the country, with 85+ valuers and the ability to accept briefs nationwide and across sectors including:
 - **Residential** – valuation of all residential property types including apartments and freestanding houses.
 - **Commercial** – valuation of a broad range of commercial property type.
 - **Government & Statutory** – valuation of all property types for Local, State and Commonwealth Government agencies, as well as private sector corporations.
 - **Insurance** – Replacement value reports for insurance purposes.
 - **Other** – a range of other valuation services.

Existing Ownership

- Ian Bolewski (20%)
- George Boulougouris (20%)
- Peter Raptis (20%)
- Jeff Keane (20%)
- Andrew Cowie (20%)

Historic Performance



Strategic Rationale

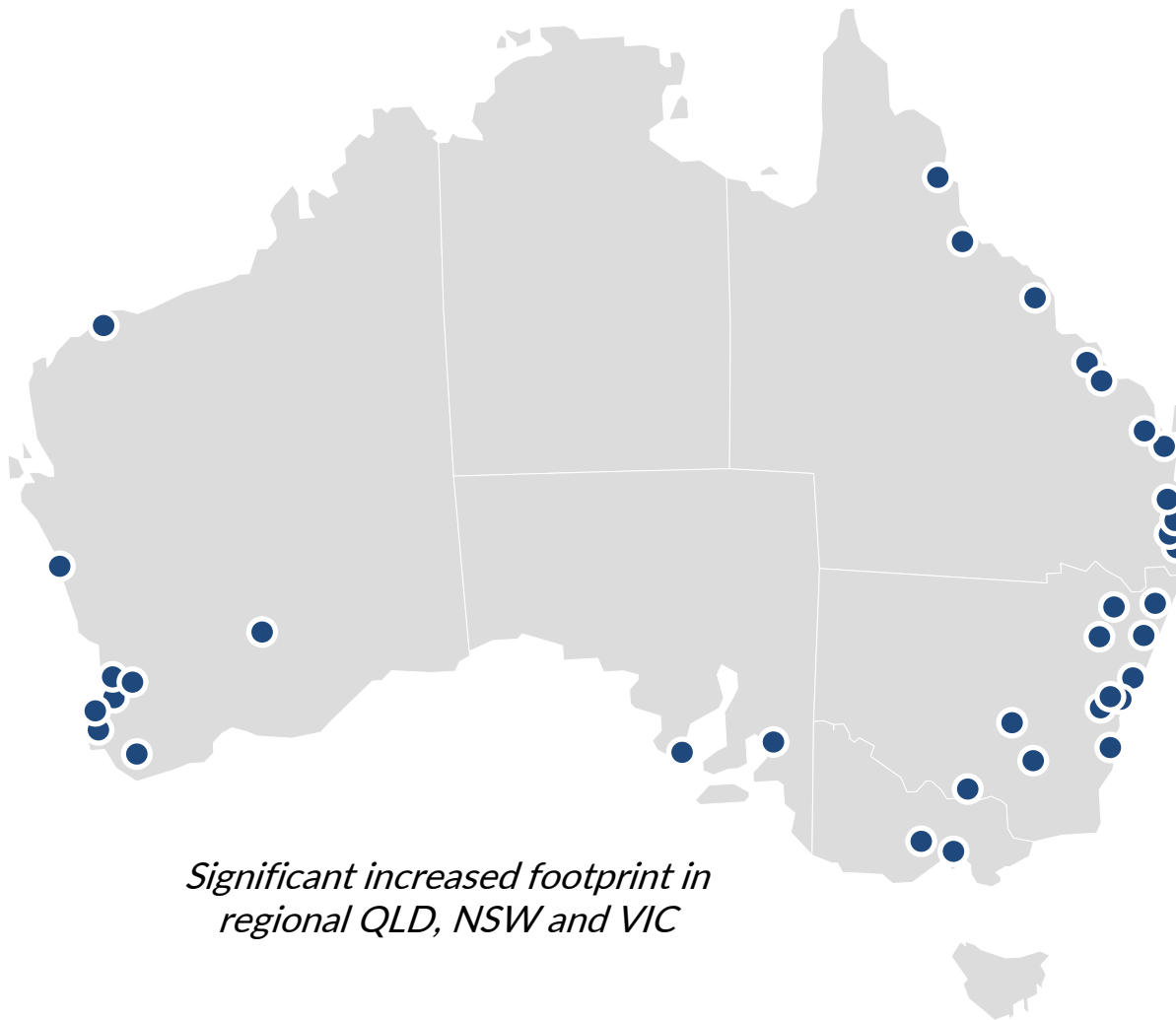


Strategic Rationale

1	Transaction transforms LMW to one of the top four national valuation firms <ul style="list-style-type: none">• The merging of LMW and MVS creates the largest ASX listed valuation services business.• Accelerates LMW's market share expansion in the national valuation market, enhancing LMW's ability to grow further major client accounts.
2	Increases the diversification of LMW's revenue across residential, commercial, and government <ul style="list-style-type: none">• In addition to increasing the scale of LMW's residential and commercial divisions, MVS brings to LMW a leading government & statutory division, with an enviable list of local, state and federal government clients.
3	Significant cost and revenue synergies <ul style="list-style-type: none">• The Board expects significant cost and revenue synergies that could be delivered from the transaction, including reduction in corporate overheads, streamlining of sales teams, integration of business support functions (IT, HR, payroll), rent, and other direct cost savings.• The added scale of the business fits within LMW's corporate structure at limited additional cost.
4	Financially compelling <ul style="list-style-type: none">• Expected EPS accretion (based on combined annual results).• MVS merged with a debt free balance sheet upon completion of the transaction.
5	Enhanced depth of management team <ul style="list-style-type: none">• MVS brings highly experienced professionals and two key division heads (Andrew Cowie and George Boulougouris), which will complement LMW's current management team, bringing expertise in new sectors such as government.
6	Robust platform for future acquisitions <ul style="list-style-type: none">• The transaction creates a strong platform to pursue consolidation opportunities in the broader Australian property services market.



Increased Capabilities and Coverage



Significant increased footprint in regional QLD, NSW and VIC

NSW

Rockdale
Sydney City
Parramatta
Wollongong
Newcastle
Albury
Armidale
Coffs Harbour
Port Macquarie
South Coast
Tamworth
Young

QLD

Brisbane
Brisbane City
Gympie
Maroochydore
Southport
Wide Bay
Milton
Gladstone
Rockhampton
Bundaberg
Mackay
Townsville
Cairns
Gold Coast
Sunshine Coast

VIC

Melbourne
Melbourne City
Ballarat

WA

Perth City
Bunbury
Albany
Busselton
Northam
Kalgoorlie
Pilbara
Mandurah
Geraldton

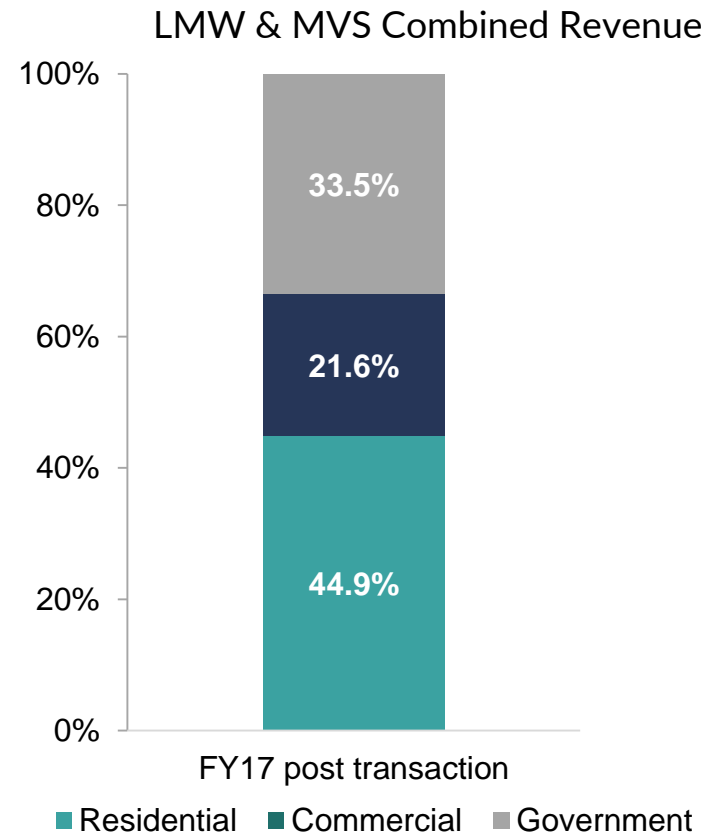
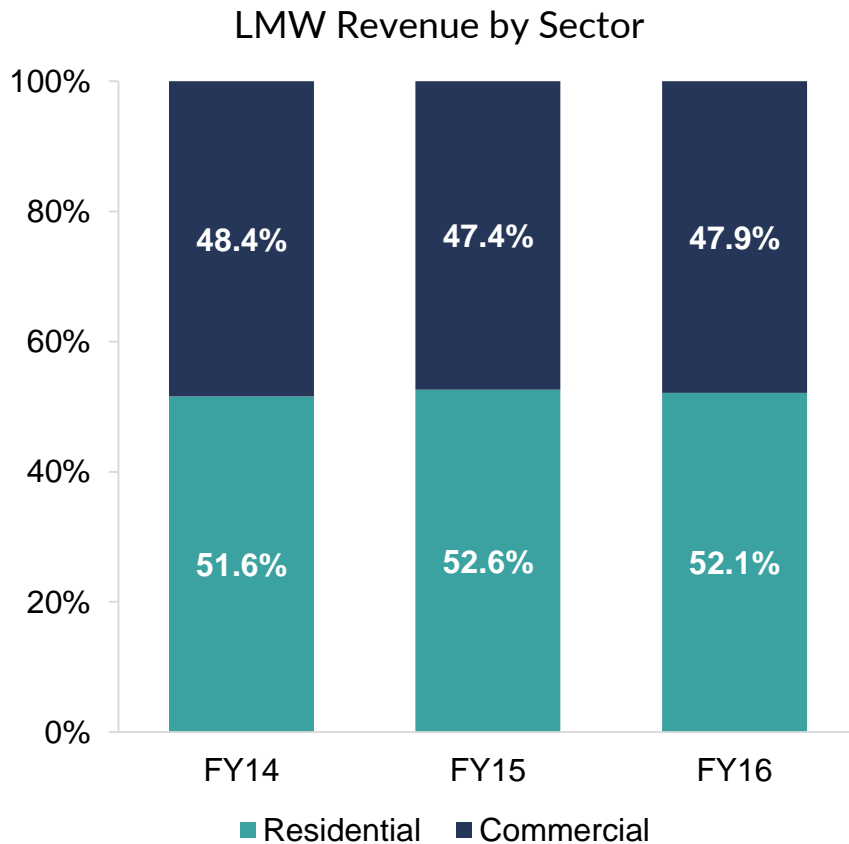
SA

Adelaide
Port Lincoln



Strategic Rationale

Revenue Mix - Pre and Post Transaction



FY17 Post transaction is based on combined annual figures of both organisations.



Transformational Transaction

	\$millions	FY16 Pre-Transaction LMW	FY17 Post-transaction Merged	FY18 Post-transaction Merged	FY19 Post-transaction Merged
Revenue		22.8	58.0	61.8	64.8
PBT		2.4	9.7	10.5	11.7
NPAT		1.7	6.8	7.3	8.2
Shares on Issue		27.7	76.9	76.9	76.9
EPS (cents)		5.8	8.9	9.6	10.7
Shares on Issue + Deferred Consideration		27.7	91.7	91.7	91.7
Diluted EPS (cents) Based on \$32m Transaction		5.8	7.4	8.0	9.0

Diluted EPS is based on contingent deferred consideration shares being issued subject to full completion of deal conditions in FY20 and based on \$32m Transaction size.



Transaction Overview



Transaction

Deal based on maximum 4.5x EBITDA
(LTM to 31 December 2017)

	Previous Based on Actual LTM to 31 Dec 2016	Projected Based on Actual & Budget LTM to 31 Dec 2017	Maximum Based on Maximum Cap LTM to 31 Dec 2017
Offer Valuation Basis (EBITDA)	4.5x	4.5x	4.5x
EBITDA LTM	\$6.5m	\$7.1m	\$7.8m
Consideration <ul style="list-style-type: none">• Cash• Share Consideration	\$16m <u>\$13m</u>	\$16m <u>\$16m</u>	\$16m <u>\$19m</u>
Total Consideration	\$29m	\$32m	\$35m



Earn-Out Mechanism

- Long-tail earn out with share consideration not until 30 Sept 2020
- Maximum Consideration set on LTM to 31 Dec 2017 (and subject to \$35m cap)
- Average of Financial Years FY18, FY19 & FY20 must be = or > LTM to 31 Dec 2017 or consideration reduced (see appendix).

Share Consideration Timing		
Tranche 1	Upon completion of Capital Raise <ul style="list-style-type: none">- 25% Escrow Release 28 February 2018- 25% Escrow Release 30 September 2018- 25% Escrow Release 28 February 2019- 25% Escrow Release 30 September 2019	\$7.3m
Tranche 2	Subject to achievement of FY18, FY19 and FY20 Earn Out Results – Issued 2020 (based on maximum earn out).	Up to \$11.7m (projected \$8.7m)



Transaction Funding & Usage

Equity Raising of \$20.5m as follows:

- 3 for 5 Non-Renounceable Rights Issue to raise up to \$10.5m; and
- Placement to raise up to \$10m

Usage		
MVS Cash Purchase	\$	16.0m
Transaction Costs	\$	1.4m
Future Acquisition	\$	3.1m
Total	\$	20.5m



Combined Value

Projected as at 31 Dec 2017	LMW \$ million	MVS \$ million	Combined \$ million
Revenue	25.0	34.6	59.6
PBT	2.7	7.1	9.8
NPAT	1.9	5.0	6.9

	Projected \$32m Transaction	Maximum \$35m Transaction
NPAT	\$6.9m	\$7.1m
Shares on Issue Post Initial Share Consideration	76.9m	76.9m
Pro-Forma EPS LTM to 31 Dec 17*	9.0 cents	9.2 cents
Shares on Issue with Deferred Share	91.7m	96.8m
Pro-Forma Diluted EPS	7.1 cents	7.3 cents



Pro-Forma Balance Sheet

\$'000	LMW	MVS	Adjustments	Acquisition Entries	Combined
Current Assets					
Cash	848	2,536	(3,165)	3,100	3,319
Receivables	2,428	4,642	-	-	7,070
Financial Assets	-	-	-	-	-
Tax receivable	-	-	-	-	-
Other	1,119	381	-	-	1,500
	<u>4,395</u>	<u>7,559</u>	<u>(3,165)</u>	<u>3,100</u>	<u>11,889</u>
Non-Current Assets					
Deferred Tax	591	-	-	-	591
Term Deposits	214	16	-	-	230
Receivables	-	18	-	-	18
Property, Plant & Equipment	351	951	(200)	-	1,102
Intangible Assets	5,262	-	-	30,965	36,227
Investments	715	-	-	-	715
	<u>7,133</u>	<u>985</u>	<u>(200)</u>	<u>30,965</u>	<u>38,883</u>
	11,52				
Total Assets	8	8,544	(3,365)	34,065	50,772

\$'000	LMW	MVS	Adjustments	Acquisition Entries	Combined
Current Liabilities					
Trade & Other Payables	991	1,948	-	-	2,939
Tax Liabilities	239	619	-	-	858
Financial Liabilities	-	196	-	-	196
Employee Benefits Provisions	1,989	845	-	-	2,834
	<u>-</u>	<u>60</u>	<u>200</u>	<u>-</u>	<u>260</u>
	<u>3,219</u>	<u>3,668</u>	<u>200</u>	<u>-</u>	<u>7,087</u>
Non-Current Liabilities					
Deferred Tax	35	-	-	-	35
Financial Liabilities	-	-	-	-	-
Employee Benefits Provisions	138	226	-	-	364
	<u>103</u>	<u>-</u>	<u>50</u>	<u>8,918</u>	<u>9,071</u>
	<u>276</u>	<u>226</u>	<u>50</u>	<u>8,918</u>	<u>9,470</u>
Total Liabilities	3,495	3,894	250	8,918	16,557
Net Assets	8,033	4,650	(3,615)	25,147	34,215
Equity					
Share Capital	6,776	-	-	28,600	35,376
Retained Earnings Reserves	1,187	4,330	(3,615)	(3,133)	(1,231)
	<u>70</u>	<u>320</u>	<u>-</u>	<u>(320)</u>	<u>70</u>
	<u>8,033</u>	<u>4,650</u>	<u>(3,615)</u>	<u>25,147</u>	<u>34,215</u>

*Working Capital, Debt & Fair Value Adjusts



Post Transaction Structure

Projected \$32m	Upon Completion			Deferred Consideration			
Transaction Value	\$ mil	Shares (mil)	%	\$ mil	Shares (mil)	Total Shares (mil)	%
Existing Shareholders		29.5	38.4%	-	-	29.5	32.2%
Rights Issue	10.5	17.5	22.8%	-	-	17.5	19.1%
Placement Shareholders	10.0	16.7	21.7%	-	-	16.7	18.2%
MVS	7.3	12.2	15.8%	8.7	14.5	26.7	29.1%
Advisors	0.6	0.97	1.3%	0.2	0.4	1.3	1.5%
Total		76.9	100%		14.9	91.7	100%

Projected \$35m	Upon Completion			Deferred Consideration			
Max. Transaction Value	\$ mil	Shares (mil)	%	\$ mil	Shares (mil)	Total Shares (mil)	%
Existing Shareholders		29.5	38.4%	-	-	29.5	30.5%
Rights Issue	10.5	17.5	22.8%	-	-	17.5	18.0%
Placement Shareholders	10.0	16.7	21.7%	-	-	16.7	17.2%
MVS	7.3	12.2	15.8%	11.7	19.5	31.7	32.7%
Advisors	0.6	0.97	1.3%	0.3	0.5	1.5	1.5%
Total		76.9	100%		20.0	96.8	100.0%

* The above is based on a transaction share issue price of \$0.60 per share.



Timetable

Event	Date
Announcement of Rights Issue & Cleansing notice	Friday, 21 st April 2017
Record Date for Rights Issue	Thursday, 27 th April 2017
Rights Issue Opens	Tuesday, 2 nd May 2017
EGM	Thursday, 25 th May 2017
Rights Issue and Placement Close	5pm, Friday, 26 th May 2017
Notification of Shortfall (if any) to ASX	Monday, 29 th May 2017
New Shares quoted on a deferred settlement basis	Monday, 29 th May 2017
Shortfall Close (if any)	Tuesday, 30 th May 2017
Issue of New Shares	Wednesday, 31 st May 2017



Post Transaction Corporate Structure

